

## **Medicaid Management Information Systems Re-Procurement Project (MMIS)**

Department of Social and Health Services (DSHS)

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### **Presenters**

Robin Arnold-Williams, Secretary, Department of Social and Health Services

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### **Purpose of Appearance**

DSHS will review the status of the MMIS re-procurement project.

### **Project Status**

DSHS and its vendor, CNSI, are finishing the requirements verification activities through a series of meetings with stakeholders known as the Collaborative Application Design (CAD) sessions. The project team is preparing for the start of the design phase using the verified requirements as a baseline.

DSHS has formally notified CNSI to develop and implement a corrective action plan in response to the contract dispute resolution process to address the items listed in the Issues section of this report.

### **Variances**

- Schedule: As of this report there are no schedule variances that affect the critical path. However, any additional delays in Requirements Verification could delay the schedule and potentially impact the critical path.
- Budget/Cost: The budget through April 2005 shows a positive variance of \$4.0 million for planned versus actual expenditures. Of this variance, \$1.7 million is for CNSI deliverables that were scheduled for the March/April timeframe in the initial work plan, but have not been approved.
- Scope: There are no scope variances to report. DSHS executive management and the agency's Enterprise Architecture Program office continue to evaluate if any additional provider payment functionality should be included in the new system and the timing for delivery of those functions.

**Issues**

The following are the critical issues included in DSHS' formal notice to CNSI:

1. CNSI Project Manager: DSHS has raised issues with CNSI about the current project manager. DSHS has requested strong on-site CNSI corporate leadership to address this issue. A new full-time replacement Project Manager is scheduled to begin July 11, 2005.
2. CNSI Commitment: To address Issue #1 above, CNSI had verbally agreed that a senior executive would be in Olympia two weeks of every month until the issue was resolved. The executive has not been in Olympia for the timeframes discussed. The senior executive will act as Project Manager during the transition period between the current and replacement Project Manager.
3. CNSI Project Resources: CNSI has not staffed its Olympia office to the level proposed in its RFP response and signed contract. This has led to several tasks being delayed and quality issues with vendor deliverables. CNSI has agreed to complete a resource assessment jointly with DSHS.
4. Work Plan Management: CNSI personnel are not managing to the work plan in a consistent manner. Some report progress against the plan on a regular basis while others do not. Although the work plan itself has been approved, conditions of approval for payment have not yet been met (i.e., approach to resource management and managing schedule contingency). DSHS expects to confirm that the conditions placed on the work plan approval are met by June 24, 2005.
5. CNSI Subcontractors Status: CNSI proposed seven major subcontractors as part of their response. As of this report, four of the agreements have been signed between CNSI and their subcontractors.

**Staff Recommendations to the Board**

1. Staff recommends that the Board instruct DSHS to provide a copy of CNSI's corrective action plan when it is received.
2. Staff recommends that DSHS report CNSI's progress against its corrective action plan and that this occurs in the months where there is no scheduled ISB meeting.

**Previous Agency Appearances Before the Board**

May 12, 2005: The Board approved DSHS' request to adjust the project timeline from 24 to 30 months and to increase the project implementation budget from \$77.1 million to \$110.5 million based on the acquisition and negotiated contract. The Board instructed DSHS to return at all subsequent ISB meetings to provide project status updates.